

EXHIBIT 1

INTRODUCTION

Respondent Brent Wilkes is the owner and chief executive officer of ADCS, Inc., a California corporation also known as Automated Document Conversion Services, Inc. ADCS, Inc. (hereafter “ADCS”) is located in Poway, California, and is in the business of converting and storing data and documents, particularly in the area of large federal projects.

On or about May 31, 2000, Respondent made two campaign contributions through ADCS employee Amanda Ness and her husband, Richard Ness, by reimbursing them in cash for the campaign contributions they made to the Ron Roberts for Mayor committee, without revealing the true source of the contributions.

For purposes of this Default Decision and Order, Respondent’s violations of the Political Reform Act (the “Act”)¹ are stated as follows:

COUNT 1: On or about May 31, 2000, Respondent Brent Wilkes made a \$250 campaign contribution to the Ron Roberts for Mayor committee, in the name of Amanda Ness rather than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

COUNT 2: On or about May 31, 2000, Respondent Brent Wilkes made a \$250 campaign contribution to the Ron Roberts for Mayor committee, in the name of Richard Ness rather than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

THE ADMINISTRATIVE PROCEDURE ACT

Pursuant to the Administrative Procedure Act (the “APA”),² a respondent is entitled to a hearing on the merits of an Accusation if the respondent files a Notice of Defense within 15 days after service of the Accusation. (Section 11506.) The APA further provides that a respondent’s failure to file a Notice of Defense within 15 days after service of an Accusation constitutes a waiver of the respondent’s right to a hearing. (Section 11506, subdivision (c).) A default decision may be issued if the respondent fails to file a Notice of Defense within 15 days of service of the Accusation. (Section 11520, subdivision (a).)

On November 22, 2005, the Accusation in this matter issued against Respondent. On November 22, 2005, the Enforcement Division personally served the Accusation on Respondent through his attorney, who provided written authorization to accept service on Respondent’s behalf.

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of title 2 of the California Code of Regulations. All regulatory references are to title 2, division 6 of the California Code of Regulations, unless otherwise indicated.

² The Administrative Procedure Act is contained in sections 11370 through 11529 of the Government Code.

Section 11505, subdivision (c) provides that the Accusation and accompanying information may be sent to the respondent by any means selected by the agency, but that no order adversely affecting the rights of the respondent shall be made by the agency in any case unless the respondent has been served personally or by registered mail as set forth in section 11505. Along with the Accusation, the Enforcement Division served Respondent Wilkes with a "Statement to Respondent" which notified Respondent that he could request a hearing on the merits and warned him that, unless a Notice of Defense was filed within fifteen days of service of the Accusation, Respondent would be deemed to have waived his right to a hearing. Respondent filed a Notice of Defense within the statutory time period on December 5, 2005. (A copy of the Notice of Defense is attached hereto as Exhibit A and is incorporated herein by reference.) On December 5, 2006, Respondent formally withdrew his Notice of Defense, thereby forfeiting his right to an administrative hearing on this matter, and subjecting him to this Default Decision. (A copy of the letter from Respondent's attorney withdrawing the Notice of Defense is attached as Exhibit B and incorporated herein by reference.)

On December 19, 2006, Senior Commission Counsel Melodee A. Mathay sent a letter to Respondent's attorney informing him that this matter would be submitted for a Default Decision and Order at the Commission's next public meeting scheduled for January 12, 2007. A copy of the Default Decision and Order, and this accompanying Exhibit 1, was included with the letter.

SUMMARY OF THE LAW

The Fair Political Practices Commission is charged with the duty to administer, implement and enforce the provisions of the Act. By enacting the Act, California voters specifically found and declared that previous laws regulating political practices had suffered from inadequate enforcement, and that it was their purpose to ensure that the Act be vigorously enforced. (Sections 81001, subd. (h), and 81002, subd.(f).)

Under section 81002, subdivision (a), the purpose of campaign reporting under the Act is to ensure that receipts and expenditures in election campaigns are fully and truthfully disclosed in order that the voters may be fully informed and improper practices may be inhibited. Timely and truthful disclosure of the source of campaign contributions is an essential part of the Act's mandate.

In order to obtain disclosure of the true source of campaign contributions, section 84301 prohibits contributions from being made, directly or indirectly, by any person in a name other than that by which the contributor is identified for legal purposes.

Section 84300, subdivision (c), prohibits the making of a campaign contribution of one hundred dollars (\$100) or more unless the contribution is made by way of a written instrument containing the name of both the actual donor and the real payee.

SUMMARY OF THE FACTS

Counts 1 - 2

Ron Roberts was a candidate for the Mayor of San Diego in the November 7, 2000 general election, and Ron Roberts for Mayor was his controlled committee for that election. According to the Ron Roberts for Mayor campaign statement for the reporting period February 20, 2000 through June 30, 2000, filed on July 31, 2000, twenty-two people, either employed by ADCS or married to an

ADCS employee, were reported as making a \$250 campaign contribution to Ron Roberts in May 2000. According to this campaign statement, Respondent Brent Wilkes made a \$250 contribution to Ron Roberts on June 6, 2000.

ADCS is a California corporation, and Respondent Wilkes is the president and chief executive officer of ADCS. In May 2000, Respondent hosted a fundraiser for Ron Roberts' mayoral campaign. Respondent encouraged employees of ADCS to contribute to Ron Roberts and attend the fundraiser.

According to the Ron Roberts for Mayor campaign statement for the reporting period February 20, 2000 through June 30, 2000, Amanda Ness made a \$250 contribution to the committee, which was reported as received on June 6, 2000. The campaign statement also reported that Amanda Ness resided in San Diego, California, and was employed by ADCS as an executive assistant.

According to the same campaign statement, Richard Ness, Amanda Ness' husband, made a \$250 contribution to the committee, which was also reported as received on June 6, 2000. The campaign statement reported that Richard Ness resided in San Diego, California, and was employed by ADCS as an office manager. At the time, Mr. Ness was actually employed by Cymer Inc. as an electrical engineer.

On or before May 31, 2000, Respondent Wilkes gave Amanda Ness \$500 in cash from his personal funds. Respondent consistently denied that the cash was a reimbursement for the campaign contributions Amanda and Richard Ness made to Ron Roberts on May 31, 2000. However, Ms. Ness told Supervising Investigator Dennis Pellón that the \$500 in cash was a reimbursement for the contributions, and Amanda Ness' bank records corroborated this statement. The bank records reflect that \$500 in cash was deposited into the Ness' joint bank account on June 1, 2000, the day after the contributions were made. Ms. Ness later retracted her admission to Investigator Pellón, and stated that she was not reimbursed for the contributions. However, based on the totality of the evidence in this case, Respondent was the true source of the two campaign contributions. As such, Respondent committed two violations of sections 84301 and 84300, subdivision (c).

CONCLUSION

Making campaign contributions in other than one's own name is one of the most serious violations of the Act. It undermines one of the basic purposes of disclosing important information to the voting public regarding the true source of campaign support and contributions. In addition, at the time of the violations, a San Diego city ordinance imposed a \$250 limitation on contributions to candidates for elected office per election cycle. As such, Respondent was prohibited from giving more than \$250 to the Ron Roberts for Mayor committee in May of 2000.

This matter consists of two counts, which carry a maximum possible administrative penalty of Four Thousand Dollars (\$4,000). The facts of the case justify imposition of an administrative penalty of Four Thousand Dollars (\$4,000).